



JANET LEBLANC
+ ASSOCIATES



Make Employee Recognition Part of Your CEM Strategy

Positively influence agent behavior and cultivate a customer-centric culture.

by **JANET LEBLANC**, Janet LeBlanc + Associates Inc.

ABOUT JANET LEBLANC + ASSOCIATES INC.

A leading North American consulting firm specializing in customer experience management. Recognized as one of the foremost experts on customer-centric leadership, Janet LeBlanc guides senior leaders on how to use customer strategies to drive business growth. We partner with public sector institutions and Fortune 100 companies to overcome silo-based obstacles and collaborate on how to earn customer-driven growth.

Our team of dedicated professionals deliver services across four practice areas including leadership, customer insights, customer experience design and innovation, and performance improvement.

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Customer-centric companies know how important it is to reward and recognize their employees. They understand that the use of formal and informal recognition programs as part of a Customer Experience Management strategy will positively influence employee behaviors and cultivate a culture that puts the customer at the center of its business—with measurable results.

Why Recognition Programs Are Worth the Effort

Finding ways to increase employee engagement will have a dramatic effect on improving job performance and capturing customer value. Studies by Gallup, Towers and Perrin and others have shown that recognition is highly correlated to improved employee engagement with both the employee's work and the organization. Organizations that enthusiastically embrace formal and informal recognition programs to improve employee engagement financially outperform their competition.

Furthermore, companies with higher-than-average levels of engagement have higher productivity, lower employee turnover, and higher levels of customer satisfaction. The Temkin Group's "Employee Engagement Benchmark Study" found that companies with good customer experiences have 2.5 times more engaged employees than companies with poor customer experiences.

In a recent Harvard Business Review article, "Why Appreciation Matters So Much," Tony Schwartz wrote, "Feeling genuinely appreciated lifts people up. At the most basic level, it makes us feel safe, which is what frees us to do our best work. When our value feels at risk, as it so often does, that worry becomes preoccupying, which drains and diverts our energy from creating value."

Recognition programs energize employees to achieve new goals and learn new skills. These programs also motivate employees to make an extra effort or go the extra mile. By acknowledging and giving special attention to an employee's actions, an organization is reinforcing the specific behaviors needed to realize its customer experience strategy and goals.

Linking Recognition to Customer Experience

Recognition is most effective when given in the context of a larger organizational strategy or goal. Employees need to know what is expected of them and why a change in behavior is important and worthy of a reward above and beyond salary-based compensation. Employees also need to know what they need to do differently to be rewarded. Customer experience reward and recognition programs must be anchored directly to the criteria related to the ideal customer experience with measurable goals in place. For example, The Walt Disney Co. has three primary criteria related to customer experience at its theme parks: After visiting a theme park, Disney Parks wants its customers to feel that: (1) the experience was magical; (2) Disney paid attention to every detail; and (3) Disney made each child feel special. These customer-centric, measurable goals continue to define and strengthen Disney Parks' reputation as the world's most visited theme park.

Another example can be found in a logistics company that wants to be known for efficient, on-time delivery. The company wants customers to experience its products and services as being simple, smart and timely—three key criteria identified as foundational to the delivery of an ideal customer experience.

By linking an employee recognition program to the criteria used to form the ideal experience, organizations emphasize the chosen behaviors needed to create memorable experiences. Doing so also prevents employees from overexerting their talents in ways that are not aligned with the desired process and therefore potentially inefficient, unproductive or costly to the organization.

Formal recognition programs should also be linked to performance metrics—either internal key performance indicators such as efficiency and productivity measures or customer perception metrics such as improvements in customer value and loyalty.

How to Design a Best Practice Program

In its 2009 report titled, "The Value and ROI in Employee Recognition," the Human Capital Institute identified the following commonly agreed-upon best practices as being critical in the design of effective employee recognition programs. The principles include:

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The best employee recognition programs use a combination of informal and formal approaches that balance feedback from leaders, peers, and customers.

- Use both formal and informal recognition to build a “culture of recognition” in the organization.
- Provide a wide variety of recognition and rewards—realizing that what is a reward for one person may not be for another.
- Emphasize the recognition of increased quality in performance instead of simply quantity or effort.
- Recognize workers frequently—irregular or infrequent recognition may, in some cases, be worse than no recognition at all.
- Reward activities that are linked to specific business objectives and/or desired cultural values.
- Measure the cost of the recognition and reward system and the benefits gained— whether through ROI or other methods.

The best employee recognition programs use a combination of informal and formal approaches that balance feedback from leaders, peers and customers. Recognition Professionals International defines a formal recognition program as having a structured nomination and selection process with defined criteria linked to organizational values and goals. Generally, it is an annual program where a small percentage of employees receive public recognition. An informal recognition program is less structured, highlighting individuals or teams that achieve progress toward a goal and are recognized with low-cost mementos or gifts.

An effective employee recognition program not only recognizes top performers but also motivates all employees to reinforce and achieve the desired customer-focused behaviors. Reaching the greatest number of employees (70% or more) with a program will have the highest impact. More frequent, lower value awards that touch a larger number of employees across an organization and motivate everyone to make contributions worthy of praise will accelerate the desired improvements. Consider allowing employees to self-report their progress or nominate themselves for having demonstrated customer experience excellence that is linked to defined standards.

Employees make thousands of customer-related decisions every day. Recognizing employees immediately after they have created a WOW experience will show appreciation and strengthen their understanding of the ideal experience.

Customer feedback and testimonials posted on bulletin boards and within internal social media sites have a powerful impact. Research conducted by PeopleMetrics found that employees who received recognition from customers are 4.5 times as likely to be engaged compared to those who do not receive any feedback.

Employee recognition shouldn't be simply an annual event, but rather should inspire employees to recognize managers, peers and subordinates whenever appreciation is earned. Empowering employees

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to nominate others for recognition within an organization makes everyone the guardian of a customer-centric culture and fosters a true culture of recognition.

Build a solid communications and training program around your recognition program. Employees need to understand what behaviors are reinforced, how the recognition program aligns with organizational values and company performance, and how they can participate and benefit.

Recognition Programs Deliver Solid Results

Psychologist and philosopher William James famously said, “The deepest principle in human nature is the craving to be appreciated.” Research has proven that employee recognition programs get results. Such programs recognize and appreciate the contributions made by employees and guide them toward the desired behaviors needed to create a memorable customer experience.

Most importantly, a recognition program designed specifically to support the goals and objectives of a customer experience management program will increase the level of employee engagement, improve productivity and drive employees to deliver a memorable branded experience—one that exemplifies the ideal experience preferred by customers and advocated by the company.

Ideas for Creative Rewards

Bob Nelson, author of *1,001 Ways to Reward Employees*, says that recognizing employees for their contribution is essential for keeping them motivated to want to perform at their best. Although money is important, find ways to make recognition personal, fun and creative. Here are some of Bob’s recommendations when rewarding employees:

The ideas for creative rewards are endless. For example, Hewlett-Packard has adopted a Golden Banana Award. It came about when a company engineer burst into his manager’s office in Palo Alto, California, to announce he’d just found the solution to a problem the group had been struggling with for many weeks. His manager quickly groped around his desk for some item to acknowledge the accomplishment and ended up handing the employee a banana from his lunch with the words: “Well done! Congratulations!” At first, the employee was puzzled, but over time the Golden Banana Award became one of the most prestigious honours bestowed on an inventive employee.

AT&T Universal Card Services in Jacksonville, Florida, uses the World of Thanks award as one of more than 40 recognition and reward programs. It’s a pad of colored papers shaped like a globe with “Thank You” written all over it in different languages. Anyone in the company can write a message of thanks to someone else and send it to that person.

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The program has been extremely popular; in four years, they have used more than 130,000 such notes.

There are hundreds of ideas to consider that are creative and simple to implement. For example:

- Write a letter to the employee's family telling them about the employee's recent feat and what it means to you and the company.
- Arrange for a top manager in your company to have a recognition lunch with the employee or have the company president call the employee to thank him or her personally for a job well done.
- Find out what an employee's hobby is and purchase a small gift that relates to that hobby.
- Dedicate the parking space closest to the building entrance to the outstanding employee of the month.
- Create a "Wall of Fame" to honor high achievers and special achievements in your organization.

Source: 1,001 Ways to Reward Employees, by Dr. Bob Nelson, is available from www.drbobnelson.com.

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